Flexible Spending Account
Health Care and Dependent Care
2006 Plan Year Amendment

The State of Delaware has adopted the 2 ½ month grace period for incurring Flexible Spending Account (FSA) claims now allowed by the IRS effective with the 2006 Plan Year. This means that you now, starting with the 2006 plan year, have until March 15, 2007 to incur claims against your 2006 FSA. The State of Delaware adopted this amendment to help participants recover funds contributed to the account.

Only those who have FSA coverage through December 31, 2006 can continue to incur claims against the 2006 plan year for services provided through March 15, 2007.

All FSA claims for services provided January 1, 2007 through March 15, 2007 will **automatically be processed against the 2006 plan year first,** if filed by the claims filing deadline for that plan year. ASI's program will automatically pay out of the new plan year any remaining portion of this claim not paid by the 2006 plan year. For example: If you have $50 remaining in your 2006 FSA as of January 1, 2007 and incur an expense for $100 on February 10, 2007, this claim will be paid $50 from your 2006 FSA and the remaining $50 will be paid from your 2007 FSA (provided you enrolled in FSA for the 2007 Plan Year). If you do not want a claim for services provided January 1, 2007 through March 15, 2007 paid out of the 2006 plan year, you would have to indicate this on your claim form.

Again, to help you retrieve all of your funds available at the close of the 2006 plan year, the State of Delaware has extended the **claims filing deadline to April 15**, **2007.**

This does not apply to the 2005 Plan Year. For the 2005 Plan Year, services must be provided by December 31, 2005 and claims filed by March 31, 2006 to avoid forfeitures.

If you have further questions about this notice or need assistance with your FSA, please contact Statewide Benefits Office or ASI.

Statewide Benefits Office	ASI
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